

Service Date: March 21, 1988

DEPARTMENT OF PUBLIC SERVICE REGULATION  
BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF MONTANA

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IN THE MATTER of the Application of	)	UTILITY DIVISION
the Regulated Members of the TELEPHONE	)	
EXCHANGE CARRIERS OF MONTANA (TECOM)	)	DOCKET NO. 87.12.84
for Authority to Increase Rates for	)	
Intrastate Access Services.	)	INTERIM ORDER NO. 5336

FINDINGS OF FACT

1. On December 29, 1987, the Regulated Members of the Telephone Exchange Carriers of Montana (TECOM) consisting of Lincoln Telephone Company, Project Telephone Company, and Southern Montana Telephone Company, (Applicants), filed an application for authority to increase rates for intrastate carrier access services.

2. Concurrent with the filing, Applicants also filed an application for an interim rate increase pursuant to 69-3-301, MCA, and ARM 38.5.501, et. seq.

3. Applicants, as well as the unregulated members of TECOM, recover their costs of providing access to their local networks for origination and completion of interexchange long distance calls by imposing access charges on the interexchange carriers who utilize those services. Pursuant to the terms of the Mountain Bell/ RMTS stipulation adopted by the Commission in Docket No. 84.4.15, Order No. 5055g, Applicants' access service costs have been established

using FCC Part 67 and 69 cost studies. Applicants' current access charge rates are based upon 1985 Part 67 and 69 cost studies.

4. As support for their permanent and interim rate increase proposals filed in this Docket, Applicants have submitted updated 1986 Part 67 and 69 cost studies. Applicants submit that current access rates are inadequate to allow recovery of access costs as identified in the 1986 studies. They allege a revenue deficiency of \$1,027,806 for the total TECOM pool. They further point out that, as full pool participants, they would each sustain a 9.7 percent revenue deficiency if no rate relief were forthcoming.

5. In their request for a permanent rate increase, Applicants have proposed changes in rate structure. However, they have restricted their interim rate request to rate increases within the existing rate structure.

6. There are currently only two customers receiving intrastate carrier access services from the Applicants. They are Mountain Bell and AT&T Communications.

7. The Commission finds that Applicants generally appear to have followed the requirements of Docket No. 84.4.15 in calculating their costs associated with carrier access services. It further appears that current TECOM rates are inadequate to recover those carrier access costs calculated under Part 67 and 69 methodology.

8. The Commission finds that implementation of the proposed interim rates, together with continued participation in the TECOM pool, will allow Applicants a reasonable opportunity to recover their access costs.

9. The interim relief found appropriate in this Order is subject to rebate should the Commission find a lesser amount of relief to be justified in its final order in this Docket.

#### CONCLUSIONS OF LAW

1. The Applicants, Lincoln Telephone Company, Project Telephone Company, and Southern Montana Telephone Company, are corporations providing regulated telecommunications services within the State of Montana and, as such, are public utilities within the meaning of Section 69-3-101, MCA.

2. The Montana Public Service Commission is properly exercising jurisdiction in this Docket pursuant to Applicants request under Section 69-3-904 (1)(b), MCA.

3. Section 69-3-304, MCA, provides in part, "the commission may, in its discretion, temporarily approve increases pending a hearing or final decision."

4. The rates approved herein are a reasonable means of providing interim relief to Applicants. The rebate provisions of 69-3-304, MCA, protect ratepayers in the event any revenue increases authorized by this Order are found to be unjustified in the final order in this Docket.

ORDER

1. Applicants request for interim relief is hereby GRANTED.

2. Interim rates approved herein are subject to rebate should the final order in this Docket determine that a lesser increase is warranted.

3. Interim rates approved herein shall be effective for services rendered on and after March 16, 1988.

DONE AND DATED this 16th day of March, 1988, in open session by a 5 to 0 vote.

BY ORDER OF THE MONTANA PUBLIC SERVICE COMMISSION

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CLYDE JARVIS, Chairman

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JOHN B. DRISCOLL, Commissioner

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HOWARD L. ELLIS, Commissioner

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TOM MONAHAN, Commissioner

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DANNY OBERG, Commissioner

ATTEST:

Ann Purcell  
Acting Secretary

(SEAL)

NOTE: Any interested party may request that the Commission reconsider this decision. A motion to reconsider must be filed within ten (10) days. See 38.2.4806, ARM.